

March 31, 2005

DWD ISSUANCE 06-04

Subject: Program Year 2005 (PY '05)/Fiscal Year 2006 (FY '06) Workforce Investment Act (WIA) Formula Allocations for Adult, Youth, and Dislocated Worker Programs to Local Workforce Investment Boards (LWIBs).

1. Purpose: To provide funding information for completion of modifications to the Local Workforce Investment Act (LWIA) Plans for PY '05 and FY '06 WIA funding.

2. Substance: **Attachment 1** provides the PY '05/FY '06 WIA Title I-B Adult formula fund allocation

Missouri's PY '05 Adult allotment is \$3,106,175 of which 85 percent is allocated to the LWIBs in the amount of \$2,640,249. Missouri's FY '06 Adult allotment is \$11,979,304 of which 85 percent is allocated to the LWIBs in the amount of \$10,182,408.

Adult PY '05 allocations are available July 1, 2005 and Adult FY '06 allocations are available October 1, 2005. LWIBs may request to transfer up to 30 percent each of the PY '05 and FY '06 Adult Program funding to the respective PY '05 and FY '06 Dislocated Worker Program funding.

**Attachment 2** provides the PY '05 WIA Title I-B Youth formula fund allocation.

Missouri's PY '05 Youth allotment is \$16,705,651 of which 85 percent is allocated to the LWIBs in the amount of \$14,199,803. One quarter of the PY '05 Youth allocations are available April 1, 2005. The remainder will be available July 1, 2005. There is no authority for LWIBs to transfer funds to or from the Youth activity program. In accordance with 20 CFR 664.320 of the WIA Final Regulations, a minimum of 30 percent of the LWIB Youth allocation, excluding amounts set aside for local administration from the Youth allocation, must be budgeted and expended for out of school youth activities.



**Attachment 3** provides the PY '05/FY '06 WIA Title I-B Dislocated Worker formula fund allocation.

Missouri's PY '05 Dislocated Worker allotment is \$5,768,828 of which 60 percent is allocated to the LWIBs in the amount of \$3,461,297. Missouri's FY '06 Dislocated Worker allotment is \$14,168,784 of which 60 percent is allocated to the LWIBs in the amount of \$8,501,270.

Dislocated Worker PY '05 allocations are available July 1, 2005 and Dislocated Worker FY '06 allocations are available October 1, 2005. LWIBs may request to transfer up to 30 percent each of the PY '05 and FY '06 Dislocated Worker Program funding to the respective PY '05 and FY '06 Adult Program funding.

**Attachment 4** provides PY '05 WIA Title I-B Adult, Youth and Dislocated Worker funding combined to aid in the completion of the Planning Budget Summary for WIA funds.

**Attachment 5** provides FY '06 WIA Title I-B Adult and Dislocated Worker funding combined to aid in the completion of the Planning Budget Summary for WIA funds.

**Attachment 6** is a revised Planning Budget Summary for WIA funds to be used to budget funds included in this issuance. A separate Planning Budget Summary must be completed for each year of funding designated as program year and fiscal year.

There will be revisions to the PY 2005 Adult and Youth allocations to reflect incentives awarded to the regions for achieving their 2004 performance measures, as well as sanctions for failing to achieve the negotiated level for a specific performance indicator and/or a 100 percent cumulative program area score for PY '03. Incentives and sanctions will be made in accordance with the Missouri Training and Employment Council's Policy as outlined in DWD Issuance 19-01. However in order to get the issuance distributed with PY '05 – FY '06 allocations, we will make these adjustments in the near future and communicate the revised amounts at that time.

As indicated above, authority to make transfers between Adult and Dislocated Worker programs is at a 30 percent maximum. The limitation contains the same language requiring the Governor's concurrence to authorize the transfer. Based upon the increase in

dislocations across the state in recent months, the Division of Workforce Development (DWD) believes that it will be very difficult for any region within the state to make a convincing argument for transferring Dislocated Worker funding to support the Adult program. We do not mean to imply a lesser concern for the adult economically disadvantaged population, but we do not have the compelling data at our disposal to make any general comments on transfers of Adult funds to support Dislocated Workers.

In addition the U. S. Department of Labor has applied a .80% appropriation rescission to both Adult and Dislocated Workers funds for FY 2005. The State will be analyzing FY '05 15% Governor's Reserve funds and expenditures to determine if the rescission can be absorbed at the State level, or if there will be a need to apply the rescission across the board at the Local level. More details will follow at a later date.

3.     Action:     This information should be used to develop the Planning Budget Summaries for all funding as identified and included in Attachments 1 through 3. A separate Planning Budget Summary must be submitted for PY '05 funds (Attachment 4) and FY '06 funds (Attachment 5). ***The LWIB should prepare a plan modification in accordance with DWD Issuance 01-00, Change 3 to include these funds and make other necessary changes to the local plan.***

The LWIB is reminded that for any transfer requested, additional plan narrative information is to be submitted as part of the local plan modification. Such transfer plan narrative information requirements may be found in the State of Missouri's WIA Plan. It is also referenced in the LWIA Plan Modification Procedures referenced in DWD Issuance 01-00, Change 3.

PY '05 WIA Youth funds (Attachment 2) are available April 1, 2005. PY '05 Adult and Dislocated Worker funds (Attachments 1 and 3) are available July 1, 2005. FY '06 Adult and Dislocated Worker funds (Attachments 1 and 3) are available October 1, 2005.

The LWIA Plan Modification should include a properly prepared Planning Budget Summary. Summaries must be submitted as soon as possible for WIA funds for PY '05 and FY '06. A fully signed contract agreement including these funds and the Planning Budget

Summary must be on file with DWD before the release of requested funds by the Division.

4.     Contact:       Please contact Rita Holtmeyer at (573) 751-5219 if you have any questions regarding the calculation of the PY '05/FY '06 allocations. Contact Clinton Flowers at (573) 526-8261 if you have any questions regarding the use of this issuance in preparing your WIA plan modification.
  
5.     Cross/Historical:   WIA Sections 182,127(b)(1)(C), and 132(b)(1)(B) and (2)(B).

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Steven A. Kraus, Interim Director

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Attachments

- c:     DWD Administration Team  
       DWD Central Office Managers  
       Regional Managers  
       WIB Chairs  
       WIB Contacts